

June 18, 2013

The Blue Lake City Council met for a special meeting at 6:00 p.m. on June 18, 2013. Mayor Sherman Schapiro called the meeting to order. Council Members present were Lana Manzanita, Stephen Kullmann, and Greg Sawatzky. Others present were City Manager John Berchtold, City Attorney Nancy Diamond and City Clerk Adrienne Nielsen. Council Member Kevin Benjamin was absent.

Motion to Approve Agenda

Councilmember Kullman moved, seconded by Councilmember Sawatzky to approve the agenda. The motion carried unanimously.

Public Input

There were six members of the public in attendance. No public input.

Public Hearing

Mayor Shapiro introduced Ordinance No. 507. Changes to be made – FY15/16 Water should be \$62.54 not \$62.64. Change wholesale as one word. Page1 Item C – “Constitution” and “Sections” to be capitalized. Changes to be made to Ordinance No. 508 – Pages 1 and 2, Sec. 1113 changed title added Non-Significant Industrial User added Table 3 in (a). Table 3, after all customers, except Significant Industrial Users. Table 4 – Heading – Significant Industrial User. Sec. 1113 (b) removed the word flat before monthly fee, see schedule 1, table 2 – table 2 was added. Section 1115 – Significant Industrial Users was added. Section 3 reference 1114 changed to 1115. Table 2 – Ord. 508 \$10.40. Table 3 – Ord. 508 \$44.08. Table 4 - .06451

At 6:20 – Open to Public Hearing (507)

Karen Nessler – pipe that goes across, grant written by Humboldt Bay, but not enough. Rate payers are picking up since pulp mill went down. Incorporated a pass through, Mike Foget, Rate study 3-4 years ago, Blue Lake Power and pulp mill went down. Now power plant online, system and how its driving the fund. Power plant was paying a lot more.

Cost of living is at 3%. Base rate plus user index off. Average user at about 700 cubic feet. Structure was set up.

Question about looking at connection fees. Mayor Schapiro states this would be separate.

Elise Scofani – Blue Lake rates are higher than in the county. Smaller Rate Base, but Brewery, Blue Lake Power and Casino help. Only collect funds for the sewer and actual spent. Base amount that has to be covered.

Users of Humboldt Bay are affected. Barkley became Sewer Capital Reserve. That unit will not go down. System went in the late 1950's.

Casino, forcing upgrades to the system. 0% loan, 30% grant, and repair and dread pons with finances. 30% on Levee, Financial is overpowering the impact.

Councilmember Kullmann – tried hard to lower rate, but base rate increased and consumption went down.

Mayor Schapiro – Water one department in itself, Sewer within itself.

1300 people in town, 3 public works workers.

Betty Borquez – asked for Cards to be sent out.

*271 Votes needed to overrun the prop 218.
Closed at 6:45 p.m. – 45 Votes opposing rates*

Ordinance No. 507, Councilmember Kullmann moved to introduce Ord. 507 by title only, noting revisions made. Councilmember Manzanita seconded. Motion carried.

At 6:50 – Open to Public Hearing (508)

Neil at Mad River Brewery – appreciates the work being done, Mad River Brewery protests the rate increase, feels the City has ignored proper allocation with aerators, treating for BOD, 50% is incorrect.

Councilmember Manzanita – many months of conversations with many people at many Council meetings. Hired SHN, recognized their study and rates.

Mad River Brewery asked to reserve the right to seek legal remedies should the City continue to use an incorrect method for developing these rates. Major suggest closed session to discuss SHN conversations with the Brewery 50% overall system.

City Attorney to Neil – “Is this a threat?” – Neil answers yes.

Neil – System can be designed around flow. BOD is handled by the aerators. Go through last two years of cost, BOD and cost to treat the BOD.

Could still introduce the ordinance.

Closed at 7:00 p.m.

Councilmember Manzanita motioned to introduce Ordinance No. 508 (read title) with changes made, and dispense with reading ordinance, but title only.

A tiered system by end of fiscal year. Local limits were to be adopted. Ahead with River Watch.

If filed, the City is out of compliance with the settlement agreement.

Change the ordinance to be in compliance with River Watch.

Under State mandate – City set rates on proportionality basis.

Consider Closed Session at end of June 25th meeting.

No exposure for Study itself.

Motion to Adjourn

Councilmember Kullmann moved, seconded by Councilmember Sawatzky to adjourn the meeting at 7:15 p.m. The motion carried unanimously.

Adrienne Nielsen
City Clerk